

DITSOBOTLA LOCAL MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2006/2007 R	2005/2006 R
<i>CAPITAL EMPLOYED</i>			
FUNDS AND RESERVES		32 745 423	15 265 153
Statutory Funds	1	23 793 618	23 614 492
Reserves	2	2 100 520	3 004 236
Non Distributal Reserve : Re-valuation	2B	12 598 674	12 598 674
Accumulated Deficit	16	(5 747 389)	(23 952 249)
 TRUST FUNDS		 16 851 883	 30 074 354
Long term liabilities	3	13 811 400	27 307 762
Consumer deposits	4	3 040 483	2 766 592
		<u>49 597 305</u>	<u>45 339 507</u>
 <i>EMPLOYMENT OF CAPITAL</i>			
		26 247 701	29 028 638
Fixed assets	5	7 376 714	10 129 765
Long term debtors	7	(28 320)	(433)
Investments in trust and Partnership	6B	18 899 306	18 899 306
 Nett current assets		<u>23 349 604</u>	<u>16 310 868</u>
 Current assets		 116 638 527	 90 745 516
Inventory	8	2 070 260	1 525 180
Investments	6	24 983 684	19 506 916
Debtors	9	88 306 489	69 702 319
Deposits Sundry		3 210	3 210
Payment in advance	10	1 273 260	-
Petty Cash		1 623	7 891
 Current liabilities		 (93 288 922)	 (74 434 648)
Cash Book Balance		(15 843 463)	(22 262 464)
Creditors	11	(76 796 212)	(46 662 299)
Long Term Liabilities: Short Term Portion	3	(649 247)	(5 509 884)
		<u>49 597 305</u>	<u>45 339 506</u>

DITSOBOTLA LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

(Also refer to appendix E)

2005/2006 Actual Income R	2005/2006 Actual Expenditure R	2005/2006 Surplus/ (Deficit) R		2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus/ (Deficit) R	2006/2007 Budget Surplus/ (Deficit) R
47 723 028	61 260 670	13 537 641	RATES AND GENERAL SERVICES	(59 922 225)	74 178 781	14 256 556	(1 268 672)
37 165 226	43 856 901	6 691 675	Community Services	(48 685 020)	51 218 188	2 533 168	-42 128 994
666 308	10 918 627	10 252 319	Subsidised Services	(616 279)	15 093 911	14 477 632	45 659 067
9 891 494	6 485 142	(3 406 352)	Economic Services	(10 620 926)	7 866 682	(2 754 245)	-4 798 745
52 655	1 243 275	1 190 620	HOUSING SERVICES	(25 630)	1 827 085	1 801 455	-
49 278 986	38 117 999	(11 160 987)	TRADING SERVICES	(52 943 601)	38 030 700	(14 912 901)	-20 959 434
97 054 670	100 621 944	3 567 274	TOTAL	(112 891 456)	114 036 566	1 145 110	-22 228 106
	38 956 340		Appropriations for the year (note 16)			(19 349 971)	
	42 523 614		Net Surplus for the year			(18 204 861)	
	(18 571 365)		Accumulated Surplus/(Deficit) beginning of the year			23 952 249	
	23 952 249		ACCUMULATED DEFICIT AT THE END OF THE YEAR			5 747 389	

DITSOBOLA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2006/2007 R	2005/2006 R
Cash retained from operating activities		(14 804 570)	-
Cash generated by operations	15	(20 505 603)	
Less: External interest paid		843 999	
(Increase)/decrease in working capital	17	4 857 034	
Cash available from operations			-
Cash utilised in investing activities		4 415 520	
(Increase)/decrease in long-term debtors	19	(27 887)	
Investment in fixed assets		4 443 407	
Net cash flow		(10 389 050)	-
Cash effects of financing activities		10 389 050	
(Increase)/decrease in long-term loans	19	(1 231 828)	
(Increase)/decrease in cash investments		5 476 768	
(Increase)/decrease in consumer deposits	20	(274 891)	
Increase/(decrease) in bank overdraft	21	6 419 001	
Net cash (generated)/utilised		10 389 050	-

DITSOBOTLA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2006/2007 R	2005/2006 R
1. Statutory funds		
Capital Development Fund	16 957 749.10	16 957 749.10
Land Trust Fund	5 910 946.91	5 898 976.91
Housing Fund	924 921.89	757 765.52
	23 793 617.90	23 614 491.53
(Refer to appendix "A" for more detail)		
2. Reserves		
<i>Insurance Fund</i>	720 625.95	738 441.35
Bursary Fund	182 699.00	328 969.45
Leave Reserve Fund	1 203 800.50	1 943 712.60
Repairs and maintenance	11 764.00	11 740.74
Library Donation	3 661.64	1 559.64
Renewal Housing	-21 899.96	-20 056.24
Renewal Housing Boikhutso	-131.43	-131.43
	2 100 519.70	3 004 236.11
(Refer to appendix "A" for more detail)		
2.B Non Distributal Reserve :Revaluation		
Revaluation of Erf 54 Civic Centre	12 598 673.94	12 598 673.94
3. Long-term liabilities		
Local Government Loan Fund: DBSA	5 454 297.69	6 686 123.60
Nedcor Investment Bank	9 006 350.00	26 131 522.00
Less: Short Term Portion	649 247.44	5 509 883.60
	13 811 400.25	27 307 762.00
(Refer to appendix "B" for more detail)		
4. Consumer deposits		
Electricity and Water	3 040 482.51	2 766 592.00
	3 040 482.51	2 766 592.00

DITSOBOTLA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2006/2007 R	2005/2006 R
5. Fixed assets		
Fixed Assets at the beginning of the year	82 967 796	82 967 796
Fixed Assets acquired during the year	5 672 868	
Lease Asset : Civic Centre	9 006 350	14 000 000
Less: Fixed Assets written off, transferred or sold		
Total Fixed Assets	97 647 014	96 967 796
Less: loans redeemed and other capital receipts	90 270 300	86 838 032
Nett Fixed Assets	7 376 714	10 129 765
(Refer to Appendix "C" for more detail).		
6. Investments		
Unlisted Investments	24 367 701	19 506 916
6B. Investment s in Trust and Partnerships		
Lichtenburg Development Trust	81 441.00	81 441.00
Lichtenburg Financing Partnership	18 817 864.99	18 817 864.99
	18 899 305.99	18 899 305.99
7. Long term debtors		
Land Development Debtors Boikhutso	(110 615)	(84 067)
Sundry Loans	(5 465)	(4 126)
Housing Debtors	87 760	87 760
	(28 320)	(433)
8. Inventory		
Inventory	2 070 260	1 525 180
	2 070 260	1 525 180
9. Debtors		
Suspense	33 868 688	29 769 470
Consumer debtors	60 057 429	56 729 743
Less: Provision for Bad Debts	5 619 628	16 796 894
	88 306 489	69 702 319

DITSOBOTLA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2006/2007 R	2005/2006 R
10. Payments made in advance	1 273 260	-

11. Creditors

Trade Creditors		14 670 991	14 418 582
Suspense Creditors:		24 786 811	23 297 429
Suspense Creditors: VAT		2 664 964	194 272
Township Suspense		8 842 409	8 752 016
MIG	Vote 8010	10 090 872	
Special Projects	Vote 8110	11 090 872	
MSIG	Vote 8120	1 234 000	
Support Grant	Vote 8130	(867 000)	
RDP Housing	Vote 8210	10 352 294	
Boikhutso account	Vote 8310	(6 150 000)	
Lotto Sports	Vote 8320	80 000	
		76 796 212	46 662 299

12. Assessment rates

	Site Valuation at 1 July 2006	Improvements Valuation At 1 July 2006	Actual Income 2006/2007	Actual Income 2005/2006
Residential	77 558 027	847 156 710	9 141 464	8 531 282
Government	13 561 100	106 587 500	1 193 240	566 344
Industrial and Business	38 260 100	233 558 200	4 853 271	4 005 035
Vacant Stands	16 417 038	312 400	1 126 600	1 760 184
Exemptions	17 916 630	6 405 800	-	(456 678)
	163 712 895	1 194 020 610	16 314 575	14406168

	2006/2007	2005/2006
13. Allowances of political office bearers		
Mayor's Allowance	380 865	194 355
Speaker	292 705	225 200
Councillor's Allowances	3 371 034	1 882 136
Management Committee		717 874
Municipal Manager	644 913	605 202
	4 689 517	3 624 767

These salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution.

14. Auditors' remuneration

Audit fees	603 926	523 863
	603 926	523 863

DITSOBOTLA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2006/2007 R	2005/2006 R
15. Appropriation Account		
Accumulated Deficit /(Surplus) at the beginning of the year	23 952 249	(18 571 365)
(Surplus)/Deficit for the year	1 145 110	3 567 274
Appropriations for the year	(19 349 971)	38 956 340
Accumulated Deficit at the end of the year	5 747 389	23 952 249
Operating Account		
Capital expenditure	1 229 460	
Contributions to:		
Leave Reserve Fund	84 759	

DITSOBOTLA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

2006/2007
R

16. Cash generated by operations

Surplus(Deficit) for the year	(1 146 110)
Adjustments in respect of previous years	19 349 971
Adjustments in respect of the current year	

Appropriations Charged against income

1 314 219

Reserves	84 759
Fixed Assets - contributions ex-operating income	1 229 460

Capital charges

<i>Interest paid</i>	
External loans	

Redemption paid

Redemption:External	1 231 828
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Non Operating Income & Expenses

(2 555 569)

Capital Development Fund	
Housing Development Fund	
Reserves	(1 013 947)
Bad Debts	(1 541 621)
Land Trust Fund	
	<u>(20 505 603)</u>

17. Changes in working capital

(Increase)/Decrease in stock	(545 080)
(Increase)/Decrease in Debtors	(18 604 170)
(Increase)/decrease in Payments in advance	(1 273 260)
I(ncrease)/Decrease in Petty Cash	6 268
Increase/(Decrease) in Creditors	30 133 913
Increase /(Decrease) in Long term Liabilities	(4 860 637)
	<u>4 857 034</u>

18. Movement in cash on hand

Bank balance-Beginning of the financial year	(22 262 464)
Less: Cash balances at the end of the year	(15 843 463)
	<u>(6 419 001)</u>

19.. Movement in Longterm debtors

Net Movement in long term debtors	(28 320)
Long term debtors opening balances	(433)
	<u>(27 887)</u>

20. Movement in consumer deposits

Net movement consumer deposits	3 040 483
less: Balance at Beginning of the Financial year	2 765 592
	<u>274 891</u>

DITSOBOTLA LOCAL MUNICIPALITY

30 June 2007

APPENDIX A

Accumulated Funds, Trust Funds and Reserves

Statutory Funds	Vote No.	Balance at 2006/07/01 R	Contributions during the year R	Interest on Investments R	Other Income R	Written off during the year R	Expenditure during the year R	Balance at 2007/06/30 R
Capital Development Fund	6020121	16 957 749.10						16 957 749.10
Housing Development Fund	6030053	757 765.52	167 156.37					924 921.89
Land Trust Fund	6010121	5 898 976.91			11 970.00			5 910 946.91
		23 614 491.53	167 156.37		11 970.00			23 793 617.90
Reserves								
Vehicles	6030070	23.26						23.26
Insurance Fund	6030079	738 441.35			23 346.65		41 162.05	720 625.95
Bursary Fund	6030080	328 969.45					146 270.45	182 699.00
Leave Reserve Fund	6030081	1 943 712.60	84 759.00				824 671.10	1 203 800.50
Repairs and Maintenance	6030050	11 740.74						11 740.74
Library Donation	6030095	1 559.64			2 102.00			3 661.64
Renewal Housing	6030050	-20 056.24					1 843.72	-21 899.96
Renewal Boikhutso Housing	6030058	-131.43						-131.43
Provision for Bad Debts	6030082	16 796 893.77			20 727.39	9 656 371.19	1 541 621.48	5 619 628.49
		19 801 153.14	84 759.00		46 176.04	9 656 371.19	2 555 568.80	7 720 148.19
Less: Provision for Bad Debts trebtorsansferred to Outstanding Debtors balance		16 796 893.77			20 727.39	9 656 371.19	1 541 621.48	5 619 628.49
		3 004 259.37	84 759.00		25 448.65	-	1 013 947.32	2 100 519.70
Sale and Leaseback Trustfunds								
Lichtenburg Development Trust	604124	81 441.00						81 441.00
Lichtenburg Finance Partnership	604125	18 817 864.99						18 817 864.99
		18 899 305.99						18 899 305.99

DITSOBOTLA LOCAL MUNICIPALITY

30 JUNE 2007

APPENDIX B

EXTERNAL LOANS

				Balance at 30/06/2006	Received during the year	Redeemed\Write off during the year	Balance at 30/6/2007
				R	R	R	R
EXTERNAL LOANS							
Annuity loans:							
Issued	Loan no.	Redeemable	Vote no.				
1996	257	2011	615181	96 122.90		11 894.58	84 228.32
1996	258	2011	615182	79 942.46		9 892.38	70 050.08
1996	259	2006	615156	23 513.37		23 513.37	-
1999	276	2009	615187	331 846.52		213 218.05	118 628.47
2002	-	2012	615190	4 946 085.86	2.10	552 673.38	4 393 414.58
2002	-	2006	615191	105 625.49		105 625.49	-
2002	-	2009		1 102 987.00		315 010.76	787 976.24
Sub total				6 686 123.60	-	1 231 828.01	5 454 297.69
Nedcor investment Bank							
14000000		2007	616200	26 131 522.00		17 125 172.00	9 006 350.00
TOTAL EXTERNAL LOANS				32 817 645.60	-	18 357 000.01	14 460 647.69

DITSOBOTLA LOCAL MUNICIPALITY

30 JUNE 2007

APPENDIX C

ANALYSIS OF FIXED ASSETS

	Budget 2006 R	Balance on 30/06/2006 R	Expenditure 2007 R	Written off/ Transferred 2007 R	Balance on 30/06/2007 R
Rates and General Services		50 401 580.60			
Community Services	1 940 000.00	29 533 831.56	1 047 449.67		30 581 281.23
Health Service-Community	150 000.00	934 184.36			934 184.36
Public Works	840 000.00	22 246 979.96			22 246 979.96
Council-General		858 171.29	184 630.00		1 042 801.29
Municipal Manager	100 000.00	28 433.24			28 433.24
Corporate Services	50 000.00	157 790.89			157 790.89
Finance	700 000.00	827 425.65	862 819.67		1 690 245.32
Licensing	66 000.00	2 346 350.75			2 346 350.75
Traffic Services	34 000.00	1 611 602.31			1 611 602.31
Workshops		522 893.11			522 893.11
Subsidised Services	350 000.00	14 814 698.21	4 424 333.38		19 239 031.59
Cemetery	25 000.00	124 837.39			124 837.39
Fire Department	150 000.00	601 192.81	4 247 130.82		4 848 323.63
Library	25 000.00	144 551.29			144 551.29
Afforestation		61 833.20			61 833.20
Museum	16 750.00	1 256 030.14			1 256 030.14
Parks and Recreations	25 000.00	1 186 884.49			1 186 884.49
Estates		3 350 434.92			3 350 434.92
Aerodrome		86 664.70			86 664.70
Civic Buildings	25 000.00	8 002 269.27	177 202.56		8 179 471.83
LED	83 250.00				-
Economic Services	2 337 000.00	6 053 050.83			6 053 050.83
Refuse	838 210.00	2 444 058.17			2 444 058.17
Sewerage	1 498 790.00	3 608 992.66			3 608 992.66
Housing Services					
Sub-economic housing		72 156.70			72 156.70
AMBULANCE SERVICES		63 237.25			63 237.25
TOWNSHIPS		6 085 848.88			6 085 848.88
Trading Services	6 190 000.00	20 991 088.80	201 085.00		21 192 173.80
Electricity	3 190 000.00	8 388 315.38	201 085.00		8 589 400.38
Water	3 000 000.00	12 602 773.42			12 602 773.42
Lease Assets					
Civic Centre Lichtenburg		14 000 000.00			14 000 000.00
TOTAL FIXED ASSETS	10 817 000.00	91 613 912.23	5 672 868.05		97 286 780.28
Less: loans redeemed and other capital receipts		-81 389 147.97	-8 425 918.00	-	-89 815 065.97
- Loans redeemed and advances repaid		-11 057 194.52	-2 753 049.95		-13 810 244.47
- Contributions ex operating income		-25 706 330.02	-1 229 460.68		-26 935 790.70
- Provisions and Reserves		-44 625 623.43	-4 443 407.37		-49 069 030.80
Net Fixed Assets		10 224 764.26	-2 753 049.95	-	7 471 714.31

DITSOBOTLA LOCAL MUNICIPALITY

30 JUNE 2007

ANALYSIS OF OPERATING INCOME AND EXPENDITURE

APPENDIX D

ACTUAL 2005/2006 R		ACTUAL 2006/2007 R	BUDGET 2006/2007 R
Income			
15 851 071	Government & Provincial Grants and subsidies	22 816 047	24 545 359
	Income from Tariffs, Service Charges etc.		
14 406 168	Assessment Rates	16 314 575	16 000 000
40 487 782	Electricity	42 796 101	54 584 354
8 791 204	Water	10 147 500	13 329 052
17 518 445	Other Services Charges	20 817 233	26 121 245
97 054 670	Gross Income	112 891 456	134 580 010
Expenditure			
43 955 601	Salaries Wages and Allowances	51 833 594	46 296 802
45 524 352	General Expenses	50 573 493	62 446 519
6 190 425	Repairs and Maintenance	8 334 640	15 262 763
336 658	Capital Charges	2 061 346	-
-	Contributions to Capital Outlay	1 148 734	10 817 000
4 614 908	Contributions	84 759	84 759
100 621 944	Gross Expenditure	114 036 566	134 907 843

DITSOBOTLA LOCAL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THER YEAR ENDED 30 JUNE 2007

							Budget			
Actual Income 2005/2006 R	Actual Expenditure 2005/2006 R	Surplus (Deficit) 2005/2006 R					Actual Income 2006/2007 R	Actual Expenditure 2006/2007 R	Surplus/ (Deficit) 2006/2007 R	Surplus / (Deficit) 2006/2007 R
47 723 028.47	61 260 669.70	13 537 641.23	Rates and General Services				-59 922 225.25	74 178 781.33	14 256 556.08	-1 268 672.00
37 165 226.27	43 856 901.19	6 691 674.92	Community Services				-48 685 020.09	51 218 188.44	2 533 168.35	-42 128 994.00
14 406 168.45		-14 406 168.45	Assessment rates				-16 314 574.78		-16 314 574.78	-16 000 000.00
	2 202 177.92	2 202 177.92	Health and Environmental Health					2 292 645.37	2 292 645.37	3 606 698.00
216 755.93	1 001 805.87	785 049.94	Grants in -aid and Donations				-238 770.85	1 072 018.43	833 247.58	833 247.00
145 126.31	9 162 540.19	9 017 413.88	Public Works				-142 653.21	9 544 497.60	9 401 844.39	613 317.00
15 898 914.50	6 036 680.83	-9 862 233.67	Council General				-22 867 301.43	11 273 688.21	-11 593 613.22	-8 466 103.00
	1 142 949.13	1 142 949.13	Municipal manager					1 454 339.99	1 454 339.99	3 150 145.00
61 001.55	2 887 499.28	2 826 497.73	Human Resources				-66 595.87	1 436 178.34	1 369 582.47	1 984 127.00
75 940.00	8 794 183.41	8 718 243.41	Town Secretary					5 846 268.75	5 846 268.75	3 132 970.00
3 780 965.25	6 313 054.28	2 532 089.03	Town Treasurer				-4 848 904.06	11 252 746.40	6 403 842.34	-33 393 646.00
1 531 289.67	1 313 000.57	-218 289.10	Licensing				-1 913 716.44	1 240 794.00	-672 922.44	712 369.00
1 048 257.01	4 784 351.97	3 736 094.96	Traffic Services				-2 291 695.85	5 675 975.57	3 384 279.72	1 697 882.00
807.60	218 657.74	217 850.14	LED				-807.60	129 035.78	128 228.18	
666 307.93	10 918 626.63	10 252 318.70	Subsidised Services				-616 279.03	15 093 911.27	14 477 632.24	45 659 067.00
242 441.70	1 612 111.14	1 369 669.44	Cemetery				-260 064.50	2 471 405.45	2 211 340.95	1 485 661.00
12 370.95	1 128 192.19	1 115 821.24	Library				-10 827.73	1 562 501.82	1 551 674.09	1 854 993.00
	611 055.04	611 055.04	Fire Department				-690.00	1 921 425.97	1 920 735.97	1 786 704.00
214 556.65	2 152 133.90	1 937 577.25	Civic Buildings				-213 685.90	2 983 063.34	2 769 377.44	2 559 213.00
	360 445.38	360 445.38	Museum					409 348.02	409 348.02	346 123.00
196 938.63	3 716 850.45	3 519 911.82	Parks and Recreation				-131 010.90	3 621 318.98	3 490 308.08	42 768 929.00
	579.77	579.77	Aerodrome					586.84	586.84	-11 892.00
	1337258.76	1337258.76	Workshop					2 124 260.85	2 124 260.85	-5 130 664.00
9 891 494.27	6 485 141.88	-3 406 352.39	Economic al Services				-10 620 926.13	7 866 681.62	-2 754 244.51	-4 798 745.00
6 711 895.82	3 629 613.20	-3 082 282.62	Cleansing				-7 262 880.11	4 347 614.99	-2 915 265.12	-3 036 299.00
3 179 598.45	2 855 528.68	-324 069.77	Sewerage				-3 358 046.02	3 519 066.63	161 020.61	-1 762 446.00
52 655.20	1 243 274.90	1 190 619.70	Sub Economic Housing				-25 629.85	1 827 085.29	1 801 455.44	-
49 278 986.33	38 117 999.45	-11 160 986.88	Trading Services				-52 943 601.18	38 030 699.70	-14 912 901.48	-20 959 434.00
40 487 782.00	32 507 519.47	-7 980 262.53	Electricity				-42 796 101.17	30 422 251.12	-12 373 850.05	-16 154 811.00
8 791 204.33	5 610 479.98	-3 180 724.35	Water				-10 147 500.01	7 608 448.58	-2 539 051.43	-4 804 623.00
97 054 670.00	100 621 944.05	3 567 274.05	Total				-112 891 456.28	114 036 566.32	1 145 110.04	-22 228 106.00
			Appropriations for the year							
			Net Deficit/ (Surplus) for the Year							
			Accumulated surplus/(deficit) at the beginning of the year							
			Accumulated Surplus/(Deficit) at the end of the year							

DITSOBOTLA LOCAL MUNICIPALITY

30 June 2007

APPENDIX F

	2007	2006
GENERAL STATISTICS		
Number of registered voters		
Number of workers employed		409
Electricity		
Units (KWH) bought	134 053 783	120 000 000
Units (KWH) sold	117 322 941	108 147 000
Distribution loss	16 730 842	11 853 000
Distribution loss as a percentage	12.48%	9.8775%
Water		
Kilolitre bought		
Cost per kiloliter bought		
Kilolitre sold		
Cost per kiloliter sold		
Income per kilolitre sold		
Disitribution loss		
Distribution loss as a percentage		